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STATE DOCUMENT

ANNUAL REPORT  
of the

TEACHERS' RETIREMENT SYSTEM

to the  
GOVERNOR OF MONTANA  
HONORABLE THOMAS L. JUDGE

MONTANA STATE LIBRARY  
930 East Lyndale Avenue  
Helena, Montana 59601

for the  
FISCAL YEAR ENDED JUNE 30, 1973

PLEASE RETURN



# TEACHERS' RETIREMENT SYSTEM



STATE OF MONTANA  
1500 Bank Ave. Phone 400-449-5134  
HELENA, MONTANA 59601

OWEN L. MORRIS, JR., Chairman  
JAMES C. MORRIS, Secretary  
JAMES C. MORRIS, Jr., Treasurer  
JAMES C. MORRIS, Jr., Executive  
JAMES C. MORRIS, Jr., Executive  
JAMES C. MORRIS, Jr., Executive

OWEN L. MORRIS, JR., Executive Secretary

October 11, 1973

The Honorable Thomas L. Judge  
Governor of Montana  
Helena, Montana 59601

My dear Governor:

In accordance with the provisions of Section 62-4002 R.C.M. 1947, transmitted herewith is the annual report of the Teachers' Retirement System covering the fiscal year ended June 30, 1973.

Major accomplishments during the year included:

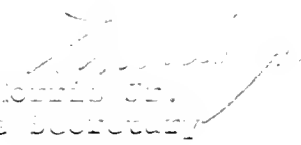
- (1) Helped obtain legislation to provide increased benefits to retired members and to provide additional death benefits, and to provide for early retirement as early as age 55 with an actuarial reduction.
- (2) Provided individual counselling to over 400 teachers contemplating retirement and prepared over 1000 estimates of retirement benefits for those nearing retirement age.
- (3) Initiated a study and cost analysis to convert the systems records to the state computer system.

During the year, the Teachers' Retirement System paid \$7,136,000.00 in benefits including retirement, disability and survivor's benefits. In addition, \$997,000.00 was refunded to members who left the teaching profession and requested withdrawal of their contributions.



The net assets have increased 474,312.00 to 404,373.00. The net  
value of investments increased 13 basis points to 6.32%.

Respectfully submitted,

  
John H. Morris Sr.  
Executive Secretary







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TEACHERS' RETIREMENT SYSTEM  
THE TEACHERS' RETIREMENT SYSTEM

<u>NAME</u>	<u>TERM</u>	<u>ADDRESS</u>
James E. Burke, Chairman	7/1/68 - 7/1/76	216 South 5th Livingston
Paul D. Caruso	7/1/69 - 7/1/73	1419 Winne Helena
James K. Donnelly	7/1/70 - 7/1/74	725 Karelda Butte
Lorence E. Simonsen	7/1/71 - 7/1/75	Box 278 Richey
Dolores Colburg State Supt. of Public Instruction		State Capitol Helena

PRINCIPAL ADMINISTRATIVE OFFICERS

Owen L. Morris Jr. Executive Secretary  
 F. Robert Johnson Assistant Executive Secretary

OFFICE LOCATION

1500 - 6th Avenue, Helena 59601



### THE STATUTES

The statutes relating to the establishment and operation of the Teachers' Retirement System are contained in Sections 76-0201 through 76-0219 of the Revised Codes of Montana, 19-7.



## GENERAL SCOPE

The Teachers' Retirement System exists to improve the educational system of the State by attracting and retaining the best qualified educators through an adequate retirement program to provide financial security to teachers who are retired by reason of service or disability, and to provide survivor benefits in the event of death before retirement.

## OBJECTIVES

1. Provide maximum retirement, disability and death benefits consistent with a sound funding approach.
2. Provide pre-retirement counselling to teachers at or approaching retirement age.
3. Increase operating efficiency by utilizing modern management techniques.





SUMMARY

1961-1962-1963

1. Helped obtain legislation that provided:
  - A. A post retirement increase to partially offset increased living costs.
  - B. A lump sum \$500 death benefit.
  - C. Early retirement at age 55 with an actuarial reduction or full retirement at any age with 30 years of service.
2. Prepared over 1000 retirement estimates for those nearing retirement and provided individual counseling to over 400 teachers.
3. In order to take advantage of the additional capacity and speed afforded by the State computer, a study and cost analysis was requested from the Data Processing Bureau to convert our present method of recording members account activity to that of the State computer.



PROJECT INVENTORY AND COST ANALYSIS SUMMARY  
FOR YEAR ENDED JUNE 30, 1973

<u>SOURCE OF FUNDING</u>	<u>1972-73</u>	<u>1971-72</u>	<u>INCREASE/ DECREASE</u>
Personal Services	39,851.00	65,331.24	25,480.24
Operating Expenses	96,707.50	61,676.56	35,030.94
Capital Expenditures	1,668.65	3,024.20	(1,355.55)
Grants & Benefits	<u>1,182,540.99</u>	<u>6,070,963.41</u>	<u>1,252,677.52</u>
	6,322,879.24	7,010,045.49	

SOURCE OF FUNDING

Contributions From Teachers & Employers	10,531,319.73	11,676,470.41	1,854,849.32
Earned Income	<u>1,836,527.91</u>	<u>3,382,990.42</u>	<u>1,472,537.49</u>
	10,533,047.64	15,059,460.83	
Increase In Assets	10,063,560.40	8,049,415.34	



## PROGRAM DESCRIPTIONS AND PERFORMANCE ANALYSIS

### ACHIEVEMENTS JUNE 30, 1973

INCREASE ASSETS FROM \$74,311,000 to \$84,376,000

YIELD ON ASSETS INCREASED FROM 6.12% to 6.31%

TOTAL BENEFITS PAID \$7,136,000.00

#### MEMBERS DRAWING BENEFITS:

NORMAL FORM OF RETIREMENT	1922
OPTIONAL FORM	735
SURVIVOR	192
DISABILITY	94

TEACHERS' CONTRIBUTIONS REFUNDED \$997,000.00

NUMBER OF TEACHERS REQUESTING REFUNDS 1080

MEMBERSHIP 15506





## BALANCE SHEET

as of June 30, 1973

ASSETS

CASH IN TREASURY	
Agency Fund (09006)	\$ 346,709.87
earmarked Revenue Fund (02077)	6,327.32
Fallam Fund (09507)	482.42
Accrued Interest Purchased	35,760.12
ACCOUNTS RECEIVABLE	
Agency Fund	1,477.00
INVESTMENTS	
U.S. Government Guaranteed Securities	1,159,203.27
Public Utilities Bonds	23,530,223.20
Corporate Bonds	25,739,731.87
Railroad & Equipment Trust Bonds	7,405,394.29
Guaranteed Mortgages	23,539,302.81
Short-Term (Commercial Paper)	2,433,645.14
Common Stock (Fallam Fund)	17,553.16
UNMORTGAGED MORTGAGE DISCOUNT	(19,644.45)
OFFICE MACHINES & APPLIANCES*	45.00
FURNITURE & FIXTURES*	348.00
MAINTENANCE EQUIPMENT*	5.00
OFFICE BUILDING	150,775.26
ACCUMULATED DEPRECIATION OFFICE BUILDING	(11,845.75)
LAND	35,376.00
TOTAL ASSETS	<u>\$84,376,449.61</u>

LIABILITIES

Accounts Payable	4,138.15
Annuity Savings Fund	48,009,479.80
Pension Accumulation Fund	23,971,309.67
Annuity Reserve Fund	11,919,166.24
Pension Reserve Fund	448,470.73
Fallam Fund Balance	17,015.58
Reserve for Mortgage Commitment Fees	6,869.44
TOTAL LIABILITIES	<u>\$84,376,449.61</u>

\* These accounts are for control purposes only. They give nominal recognition to the existence of Fixed Assets which were recorded as expense at the time of purchase.







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